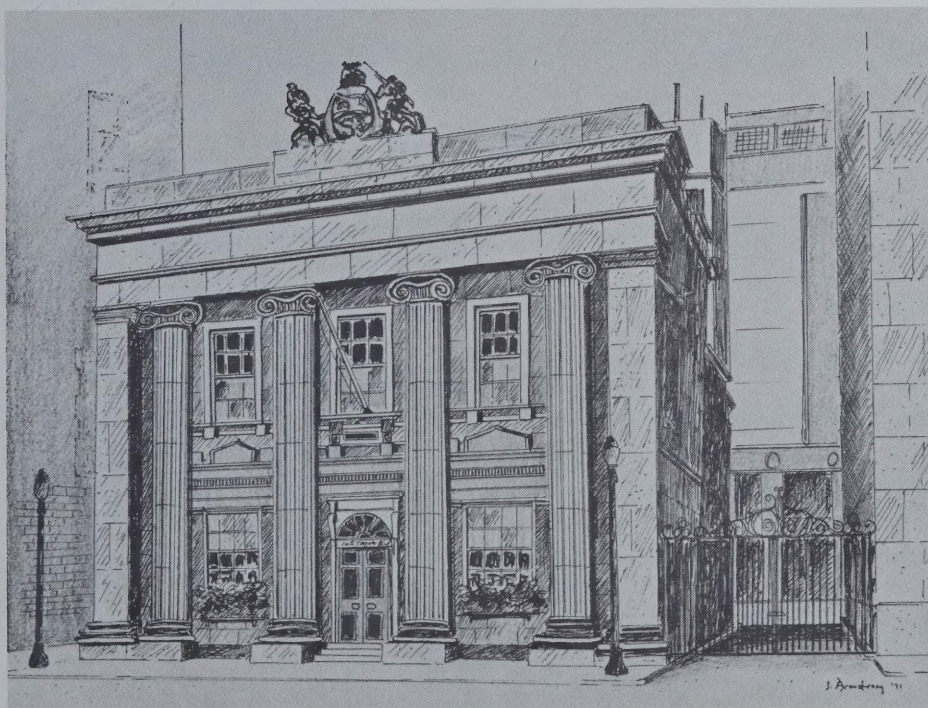


# ARGUS CORPORATION LIMITED

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## *30th Annual Report*

NOVEMBER 30, 1975



### *No. 10 Toronto Street*

*This historic building in Toronto, Canada, which was constructed in 1852, is now the head office of Argus Corporation Limited. The architects were Messrs. Cumberland and Storm.*

## Board of Directors

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\*ALEX E. BARRON . . . . . Toronto

\*GEORGE M. BLACK, JR. . . . . Toronto

H. J. CARMICHAEL . . . . . Toronto

DIXON S. CHANT . . . . . Toronto

\*A. L. FAIRLEY, JR. . . . . Birmingham, Alabama

H. N. R. JACKMAN . . . . . Toronto

\*A. BRUCE MATTHEWS . . . . . Toronto

THOMAS G. MCCORMACK . . . . . Toronto

H. T. MCCURDY . . . . . Toronto

\*JOHN A. McDOUGALD . . . . . Toronto

D. A. McINTOSH, Q.C. . . . . Toronto

ALLEN A. McMARTIN . . . . . Bermuda

\*MAXWELL C. G. MEIGHEN . . . . . Toronto

J. N. SWINDEN . . . . . Toronto

\*E. P. TAYLOR . . . . . Bahama Islands

A. A. THORNBROUGH . . . . . Boca Raton, Florida

\*Members of the Executive Committee

## Officers

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*Chairman of the Board and President* . . . . . JOHN A. McDOUGALD

*Executive Vice-President* . . . . . A. BRUCE MATTHEWS

*Vice-President and Chairman of the Executive Committee.* . . . . MAXWELL C. G. MEIGHEN

*Vice-President* . . . . . GEORGE M. BLACK, JR.

*General Manager* . . . . . J. N. SWINDEN

*Secretary* . . . . . H. H. EDMISON

*Treasurer* . . . . . J. R. WRIGHT, C.A.



*Aug.*  
*Can you do*

**AR48**

*re, Che these Ed. Taylor's shares?*  
*JS*

A PRESS STATEMENT

FROM: The Ravelston Corporation Limited

*MA/20, 1975*

FOR IMMEDIATE RELEASE

Toronto -- The Ravelston Corporation Limited has acquired 168,875 additional common shares of Argus Corporation Limited, John A. McDougald, President of Ravelston, announced today.

With this acquisition, Ravelston's Argus holdings now total 1,031,000 common shares or approximately 61% of the outstanding common shares of Argus.

Prior to the completion of this acquisition, Ravelston held 50.86% of Argus common shares.

The Ravelston Corporation Limited

10 Toronto Street

TORONTO, Ontario.

363-8721.

May 20, 1975.

*Officers of*  
*Ravelston:* *McDougald.*  
*Matthews*

*Insider report*

*May 16 - \$30 a share.*





# ARGUS CORPORATION LIMITED

10 TORONTO STREET, TORONTO, CANADA M5C 2B7

## Annual Report

TO THE SHAREHOLDERS OF  
ARGUS CORPORATION LIMITED

December 22, 1975.

Your directors present the balance sheet as at November 30, 1975, the statement of income and expenses and the statement of source and application of funds for the year ended on that date. Also shown are comparative figures for the previous year.

The balance sheet shows the Corporation's investments carried at market value and provision has been made for deferred income taxes payable under the hypothetical assumption that the investments were sold at market prices prevailing on November 30, 1975, and on November 30, 1974 for the comparative statement. In our opinion, such a provision is not a definitive figure. Unrealized gain on investments is estimated at \$83,860,581 at November 30, 1975 and \$63,767,161 at November 30, 1974.

As at November 30, 1975, the net asset value of each of the Corporation's Class C shares and common shares was \$20.53, before providing for the deferred income taxes on capital gains referred to above. Such taxes, if applicable, would amount to approximately \$1.36 per share. The comparable net asset value of each Class C and common share at November 30, 1974 was \$17.10 and the comparable deferred income taxes on that date were 67¢ per share.

Income from investments during the year amounted to \$13,078,980 compared to \$12,648,847 in the previous year. Expenses (including interest of \$504,795) were \$893,835 compared to \$886,655 (including interest of \$550,000) for the previous year. Net income amounted to \$12,137,745 compared to \$11,696,192 for the year ended November 30, 1974 (\$1.25 compared with \$1.20 per Class C and common share).

In addition to the regular dividends on the Corporation's Class A and Class B Preference Shares, dividends totalling 85¢ per share (including an extra of 15¢) were paid on the Class C and the common shares during the year. The regular quarterly dividend rates on such shares were increased from 15¢ to 20¢ per share with the payments on June 2, 1975.

150,000 common shares of Massey-Ferguson Limited and 8,000 common shares of Hollinger Mines Limited were purchased during the year.

Since November 30, 1974, 3,127 Class A Preference Shares \$2.50 Series and 3,597 Class A Preference Shares \$2.60 Series were purchased and cancelled.

In August, 1975, Dominion Stores Limited raised the annual dividend rate on its common shares from 72¢ to 84¢ per share and declared a 10¢ extra. In September, 1975, Hollinger Mines Limited increased the annual dividend rate on its Class A common shares from \$1.60 to \$1.80 per share.

The Corporation's outstanding 5½% Secured Notes, Series C, amounting to \$10 million principal amount were redeemed at maturity on November 1, 1975.

As noted in our semi-annual report, an offer was made to this Corporation's Class C Preference and Common Shareholders in April, 1975. The Ravelston Corporation Limited which owned 50.86% of the common shares of Argus and the shareholders of Ravelston which hold, in the aggregate, 20.08% of the Class C Preference Shares of Argus did not accept such offer. This assured continuity of the management and direction of your Corporation's affairs. In June, 1975, Ravelston purchased an additional 171,575 common shares of Argus increasing its holdings to 1,032,575 common shares or 61% of the voting shares outstanding.

Related to the aforementioned offer, the Government of Canada appointed a Royal Commission to study corporate concentration. Argus filed a brief with the Commission in October and representatives of your Corporation appeared at its hearings in Toronto earlier this month.

Your directors were saddened by the death earlier this year of Mr. W. C. Thornton Cran, a valued member of the Argus Board since 1967. In March, 1975, Mr. David G. Baird of New York City, a member of the Board of Directors since the Corporation's inception, found it necessary to resign for personal reasons. We are grateful to Mr. Baird for his thirty years of devoted service.

During the year Mr. H. T. McCurdy, President of Standard Broadcasting Corporation Limited, and Mr. H. N. R. Jackman, Chairman of the Board of The Empire Life Insurance Company, were elected to your Board of Directors.

Shareholders, on request, will receive copies of the annual reports of the companies which comprise the Corporation's investments.

Submitted on behalf of the Board,

JOHN A. McDUGALD,  
*Chairman and President.*

A. BRUCE MATTHEWS,  
*Executive Vice-President.*

# ARGUS CORPORATION LIMITED

## Balance Sheet—NOVEMBER 30, 1975

(with comparative figures at November 30, 1974)

	ASSETS	1975	1974
INVESTMENTS IN COMMON SHARES:			
Securities at quoted market value (Note 1).....		\$200,918,563	\$172,199,497
Cost—			
November 30, 1975—\$105,579,622			
November 30, 1974—\$102,751,022			
CASH IN BANKS.....		74,735	83,076
SHORT-TERM SECURITIES, at cost plus accrued interest.....		2,931,700	12,559,370
INCOME AND CAPITAL TAXES RECOVERABLE.....		7,761	29,202
CASH SURRENDER VALUE OF LIFE INSURANCE POLICIES.....		496,300	483,300
OTHER ASSETS.....		134,293	136,696
HEAD OFFICE PREMISES—land, building and furnishings, at nominal value.....		1	1
		<u>\$204,563,353</u>	<u>\$185,491,142</u>

	LIABILITIES		
DIVIDENDS PAYABLE.....	\$ 1,692,714	\$ 1,269,531	
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES.....	35,959	71,931	
5½% SECURED NOTES SERIES C, redeemed November 1, 1975.....	—	10,000,000	
DEFERRED INCOME TAXES (Note 1).....	11,478,360	5,681,314	
CAPITAL AND SURPLUS:			
Capital stock (Note 2)—			
Number of shares			
Authorized	Issued		
282,211		Class A Preference—	
	107,956	\$2.50 Series, cumulative.....	5,397,800
	174,255	\$2.60 Series, cumulative.....	8,712,750
1,000,000		Class B Preference—	
	300,000	Cumulative, 1962 Series, \$2.70 dividend.....	15,000,000
6,770,944	6,770,944	Class C Participating Non-Voting Preference.....	21,644,825
10,000,000	1,692,736	Common.....	5,411,206
			<u>56,166,581</u>
Contributed surplus, realized on purchase for cancellation of preference shares (including \$152,039 arising during the year ended November 30, 1975).....		862,143	710,104
Earned surplus.....		50,467,015	47,488,320
Unrealized gain on investments.....		83,860,581	63,767,161
		<u>191,356,320</u>	<u>168,468,366</u>
		<u>\$204,563,353</u>	<u>\$185,491,142</u>

APPROVED BY THE BOARD:

JOHN A. McDUGALD, Director

A. BRUCE MATTHEWS, Director



# ARGUS CORPORATION LIMITED

## Statement of Earned Surplus—FOR THE YEAR ENDED NOVEMBER 30, 1975

(with comparative figures for the year ended November 30, 1974)

	1975	1974
Balance at beginning of year.....	\$ 47,488,320	\$ 47,504,925
Net income for the year.....	12,137,745	11,696,192
	<u>59,626,065</u>	<u>59,201,117</u>
Dividends:		
Class A Preference Shares \$2.50 Series.....	273,936	280,915
Class A Preference Shares \$2.60 Series.....	457,902	465,625
Class B Preference Shares 1962 Series.....	810,008	810,009
Class C Participating Preference Shares—		
Regular.....	5,078,138	4,062,499
Extra.....	1,015,625	4,062,499
Common Shares—		
Regular.....	1,269,535	1,015,625
Extra.....	253,906	1,015,625
	<u>9,159,050</u>	<u>11,712,797</u>
Balance at end of year.....	<u>\$ 50,467,015</u>	<u>\$ 47,488,320</u>

## Statement of Unrealized Gain on Investments—FOR THE YEAR ENDED NOVEMBER 30, 1975

(with comparative figures for the year ended November 30, 1974)

	1975	1974
Balance at beginning of year.....	\$ 63,767,161	\$101,394,551
Increase (decrease) in unrealized gain on investments.....	25,890,466	(45,870,724)
Decrease (increase) in deferred income taxes.....	(5,797,046)	8,243,334
Balance at end of year.....	<u>\$ 83,860,581</u>	<u>\$ 63,767,161</u>

### NOTES TO FINANCIAL STATEMENTS

November 30, 1975

#### 1. SUMMARY OF ACCOUNTING POLICIES:

##### Investments in common shares—

The investments in common shares are carried in the balance sheet at quoted market value which is determined by pricing the holdings in each security at the closing quoted market prices as at November 30. Such amounts do not necessarily represent the value of entire blocks which may be more or less than that indicated by market quotations.

Provision has been made for deferred income taxes that would be payable if the investments had been realized on November 30 at the indicated quoted market value on that date.

##### Dividend income—

Dividend income is recognized in the statement of income and expenses on a cash received basis.

##### Head office premises—

Head office premises are carried at nominal value and all capital additions are charged to expense as incurred.

#### 2. CAPITAL STOCK:

- (a) The Class A and Class B preference shares have a par value of \$50 each and are issuable in series; the Class C preference shares and the common shares are without par value.

The issued Class A and Class B preference shares carry cumulative dividends and are redeemable at the option of the Corporation at \$52.50 per share and accrued dividends.

The Class C preference shares, subject to the prior rights of the Class A and Class B preference shares, participate equally with the common shares in (i) any dividends paid in any fiscal year after 30¢ per share has been paid on each Class C preference share and common share and (ii) any distribution of assets.

- (b) During the year ended November 30, 1975, 3,127 Class A preference shares \$2.50 series and 3,597 Class A preference shares \$2.60 series were purchased and cancelled.

